

Part III - Administrative, Procedural, and Miscellaneous

Relief For Tax Return Preparers Who Have Pending PTIN Applications

Notice 2011-11

All individuals who are compensated for preparing, or assisting in the preparation of, all or substantially all of a tax return or claim for refund of tax must have a preparer tax identification number (PTIN) pursuant to section 1.6109-2. Notice 2011-6, 2011-3 IRB 315, 316, provides that, unless otherwise provided in Notice 2011-6 or other guidance, all tax returns, claims for refund, and other tax forms submitted to the IRS are considered tax returns or claims for refund for purposes of section 1.6109-2. The IRS expects tax return preparers to comply with the new requirement to obtain a preparer tax identification number as soon as possible. Tax return preparers who use the new online application system available through the IRS website at <http://www.irs.gov/taxpros> generally will receive their PTIN number when the application process has been completed. The IRS estimates that tax return preparers who apply for a PTIN using the paper Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application, generally will receive their PTIN four to six weeks after the application and payment is received.

The IRS recognizes, however, that some tax return preparers are experiencing or may experience difficulty in obtaining a PTIN. If tax return preparers using the online

system are unsuccessful in obtaining a PTIN, the IRS system will notify them that their application was not processed and provide appropriate instructions. Complying with these instructions prior to the preparation of a tax return or claim for refund for compensation will establish that these individuals are making a good faith effort to comply with the new PTIN requirement.

Tax return preparers who applied for a PTIN using paper Form W-12 prior to the date of publication of this notice in the Internal Revenue Bulletin and have not received a PTIN generally will receive a PTIN or an acknowledgment of receipt of the PTIN application within six weeks of the IRS' receipt of the PTIN application or within six weeks of the date of publication of this notice, whichever is later. Tax return preparers who apply for a PTIN using paper Form W-12 after the date of this notice generally will receive a PTIN or an acknowledgment of receipt of the PTIN application within six weeks from the date the application is submitted. For individuals who do not attempt to submit a PTIN application via the online system, the submission of a processable paper Form W-12 and payment generally constitutes a good faith attempt to comply with the requirement to obtain a PTIN.

Accordingly, the IRS will permit any tax return preparer receiving (1) notice from the IRS that the IRS was unable to process their online PTIN application or (2) an acknowledgment of receipt of the paper PTIN application to prepare and file tax returns or claims for refund for compensation after the tax return preparer complies with all instructions provided in the notification or acknowledgment letter. These tax return preparers may use a PTIN issued before September 28, 2010 (or their social security

number if the tax return preparer does not have a previously issued PTIN), as their preparer tax identification number during the 2011 filing season or until they receive a new PTIN, whichever is earlier. Once a new PTIN is obtained, the new PTIN must be used. Tax return preparers who rely on the relief provided by this notice to prepare tax returns or claims for refund for compensation will be required to pay the \$64.25 PTIN application fee for the 2011 filing season even though the processing of the application may be delayed. Payment must be submitted as instructed by the IRS. Tax return preparers who rely on the relief provided by this notice are required to keep a copy of the notification or acknowledgement letter as documentation of their good faith effort in the event that the preparer is contacted by the IRS during the 2011 filing season or in the future.

The relief provided for in this notice only applies during the 2011 filing season and does not apply to individuals who engage in conduct that constitutes a willful violation of the applicable duties and restrictions prescribed in Circular 230 or disreputable conduct under section 10.51 of Circular 230.

The principal author of this notice is Matthew D. Lucey of the Office of Associate Chief Counsel (Procedure & Administration). For further information regarding this notice contact Matthew D. Lucey on (202) 622-4940 (not a toll-free call).